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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS:

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

Arizona Corporation Commission

DOCKETED

FEB 13 2009

DOCKETED BY

In the matter of:

ENERGETICS, INC., a Nevada corporation
STEVEN P. GIUFFRIDA and MICHELLE
GIUFFRIDA, husband and wife

Respondents.

DOCKET NO. S-20648A-09-0010

ANSWER

(Assigned to Marc E. Stern,
Administrative Law Judge)

Respondents Energetics, Inc., a Nevada corporation ("Energetics"), Steven P. Giuffrida and Michelle Giuffrida, husband and wife (collectively, "Giuffrida") (Energetics and Giuffrida are collectively referred to as "Respondents") submit the following answer to the Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and for Other Affirmative Action filed on or about January 12, 2009 by the Securities Division ("Division") of the Arizona Corporation Commission (the "Commission"). Respondents deny engaging in acts, practices or transactions which constitute violations of the Securities Act of Arizona, A.R.S. §44-1801 *et seq* (the "Securities Act").

1 For their Answer, Respondents admit, deny and aver the following:

2 **I. JURISDICTION**

3 1. Admit.

4 **II. RESPONDENTS**

5 2. Admit.

6 3. Admit.

7 4. Admit.

8 5. Deny.

9 6. Admit Michelle Giuffrida is the spouse of Steven P. Giuffrida, but deny the
10 remaining allegations set forth in paragraph 6.

11 7. Deny.

12 8. Admit Energetics and Giuffrida are referred to as "Respondents."

13 **III. FACTS**

14 9. Answering paragraph 9, Respondents admit that a listing was posted on the
15 "Craigslist" website for Phoenix, Arizona on or about October 24, 2008, and affirmatively allege
16 that the actual posting speaks for itself. Respondents deny any allegations in paragraph 9
17 concerning the content of the posting in question, which is not actually contained in the subject
18 posting.

19 10. Answering paragraph 10, Respondents admit that the posting in question
20 contained contact information for Energetics, and affirmatively allege that the actual posting
21 speaks for itself. Respondents deny any allegations in paragraph 10 concerning the content of
22

1 the posting in question, which is not actually contained in the subject posting, and deny that the
2 Energetics website includes the phone number listed in paragraph 10.

3
4 11. Answering paragraph 11, Respondents admit receiving an email from one person
5 in response to the subject Craigslist posting, and that a response email was sent to that person,
6 but Respondents deny the remaining allegations of paragraph 11 and deny receiving any email
7 from an actual potential Arizona investor in response to the subject Craigslist posting.

8
9 12. Answering paragraph 12, Respondents are without sufficient information to form a
10 belief as to the truth or falsity of the specific allegations contained therein, and therefore deny
11 the same.

12
13 13. Answering paragraph 13, Respondents are without sufficient information to form a
14 belief as to the truth or falsity of the specific allegations contained therein, and therefore deny
15 the same.

16
17 14. Answering paragraph 14, Respondents are without sufficient information to form a
18 belief as to the truth or falsity of the specific allegations contained therein, and therefore deny
19 the same.

20
21 15. Answering paragraph 15, Respondents are without sufficient information to form a
22 belief as to the truth or falsity of the specific allegations contained therein, and therefore deny
23 the same.

24
25 16. Answering paragraph 16, Respondents admit forwarding certain documents and
26 information concerning Energetics (the "Materials") in response to an inquiry on or about

1 November 20, 2008 and affirmatively allege that the Materials speak for themselves.
2 Respondents deny any allegations in paragraph 16 inconsistent with the actual Materials.

3
4 17. Answering paragraph 17, Respondents affirmatively allege that the Materials
5 speak for themselves. Respondents deny any allegations in paragraph 17 inconsistent with the
6 actual Materials.

7
8 18. Answering paragraph 18, Respondents affirmatively allege that the Materials
9 speak for themselves. Respondents deny any allegations in paragraph 18 inconsistent with the
10 actual Materials.

11
12 19. Answering paragraph 19, Respondents affirmatively allege that the Materials
13 speak for themselves. Respondents deny any allegations in paragraph 19 inconsistent with the
14 actual Materials.

15
16 20. Answering paragraph 20, Respondents affirmatively allege that the Materials
17 speak for themselves. Respondents deny any allegations in paragraph 20 inconsistent with the
18 actual Materials.

19
20 21. Answering paragraph 21, Respondents affirmatively allege that the Materials
21 speak for themselves. Respondents deny any allegations in paragraph 21 inconsistent with the
22 actual Materials.

23
24 22. Answering paragraph 22, Respondents admit posting certain information on
25 Energetics' website concerning Energetics, but with respect to the remaining allegations in
26 paragraph 22, Respondents are without sufficient information to form a belief as to the truth or

1 falsity of such allegations and therefore deny the same. Respondents deny that any information
2 publicly soliciting any investments is currently contained in Energetics' website.

3
4 23. Answering paragraph 23, Respondents admit that Energetics' website describes
5 the purchase of a lease in Caddo, Louisiana, but with respect to the remaining allegations in
6 paragraph 23, Respondents are without sufficient information to form a belief as to the truth or
7 falsity of such allegations and therefore deny the same.

8
9 24. Answering paragraph 24, Respondents are without sufficient information to form a
10 belief as to the truth or falsity of such allegations and therefore deny the same.

11 25. Answering paragraph 25, Respondents deny making any misrepresentations
12 concerning escalating oil prices, and with respect to the remaining allegations contained therein,
13 Respondents are without sufficient information to form a belief as to the truth or falsity of such
14 allegations and therefore deny the same.

15
16 26. Answering paragraph 26, Respondents are without sufficient information to form a
17 belief as to the truth or falsity of such allegations and therefore deny the same.

18
19 27. Answering paragraph 27, Respondents are without sufficient information to form a
20 belief as to the truth or falsity of such allegations and therefore deny the same.

21 28. Answering paragraph 28, Respondents admit that a listing was posted on the
22 "Craigslist" website for Phoenix, Arizona on or about October 24, 2008, and affirmatively allege
23 that the actual posting speaks for itself. With respect to the allegations concerning the
24 requirements of A.C.C. R14-4-143, Respondents affirmatively allege that such rules speak for
25 themselves. Regarding the remaining allegations in paragraph 28, Respondents are without
26

1 sufficient information to form a belief as to the truth or falsity of such allegations and therefore
2 deny the same.

3
4 29. Answering paragraph 29, Respondents admit they are not registered as dealers or
5 as salesmen with the Commission, and Respondents had not registered any securities with the
6 Commission. Respondents do not know to what the capitalized term "Investments" refers to in
7 paragraph 29. Respondents affirmatively allege that no Respondent had a duty to register as a
8 dealer or salesman with the Commission, nor was any Respondent required to register securities
9 with the Commission. Regarding the remaining allegations in paragraph 29, Respondents are
10 without sufficient information to form a belief as to the truth or falsity of such allegations and
11 therefore deny the same.
12

13
14 **IV. VIOLATION OF A.R.S. §44-1841**
(Offer and Sale of Unregistered Securities)

15 30. Answering paragraph 30, Respondents admit they have not registered any
16 securities concerning Energetics, but with respect to the remaining allegations contained therein,
17 Respondents are without sufficient information to form a belief as to the truth or falsity of such
18 allegations and therefore deny the same.
19

20 31. Answering paragraph 31, Respondents admit they have not registered any
21 securities concerning Energetics, and affirmatively allege that they have no duty to do so. With
22 respect to the remaining allegations contained therein, Respondents are without sufficient
23 information to form a belief as to the truth or falsity of such allegations and therefore deny the
24 same.
25
26

1 32. Deny.

2 **V. VIOLATION OF A.R.S. §44-1842**
3 **(Transactions by Unregistered Dealers or Salesmen)**

4 33. Answering paragraph 33, Respondents admit they are not registered as dealers or
5 as salesmen with the Commission, and affirmatively allege that they have no duty to do so.
6 With respect to the remaining allegations contained therein, Respondents are without sufficient
7 information to form a belief as to the truth or falsity of such allegations and therefore deny the
8 same.
9

10 34. Deny.

11 **VI. VIOLATION OF A.R.S. §44-1991**
12 **(Fraud in Connection with the Offer and Sale of Securities)**

13 35. Answering paragraph 35, Respondents are without sufficient information to form a
14 belief as to the truth or falsity of such allegations and therefore deny the same.
15

16 36. Deny.

17 **VII. REQUESTED RELIEF**

18 In response to the Division's request for relief against Respondents, Respondents request
19 that the Commission deny the Division's requests for relief and dismiss the complaint with
20 prejudice.
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22 **VIII. HEARING OPPORTUNITY**

23 Respondents previously filed a written request for a hearing.
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AFFIRMATIVE DEFENSES

Respondents reserve the right to assert any and all affirmative defenses available under Rule 8(c), Ariz.R.Civ.P., including assumption of risk, contributory negligence, duress, estoppel, failure of consideration, payment, release and statute of limitations. Respondents presently submit the following affirmative defenses:

1. For their first affirmative Defense, Respondents allege that no investors or potential investors responded to the subject posting on Craigslist; that there is no evidence any investors or potential investors ever viewed the subject posting; or that any alleged investors relied, reasonably or otherwise, on any alleged misrepresentation of Respondents.

2. For their second affirmative Defense, Respondents allege that they did not know, and in the exercise of reasonable care, could not have known, of certain untrue statements or material omissions.

3. For their third affirmative Defense, Respondents allege that they did not act with the requisite scienter.

4. For their fourth affirmative Defense, Respondents allege that they did not employ a deceptive or manipulative device in connection with the purchase or sale of any security.

5. For their fifth affirmative Defense, Respondents allege that they did not make any misrepresentations or omissions, material or otherwise.

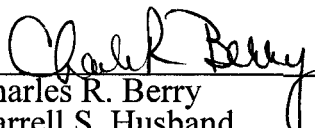
6. For their sixth affirmative Defense, Respondents allege that they acted in good faith and did not directly or indirectly induce the conduct at issue.

WHEREFORE, Respondents request that the Commission dismiss this action in its

1 entirety against these Respondents, that they be awarded their costs and attorneys' fees, and any
2 other relief that it believes is just and proper.

3
4 RESPECTFULLY SUBMITTED this 13th day of February, 2009.

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TITUS, BRUECKNER & BERRY, P.C.

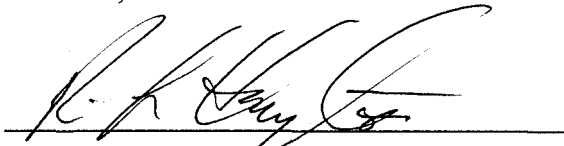

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Scottsdale, Arizona 85255
Attorneys for Respondents

ORIGINAL and 13 COPIES of the foregoing filed
this 13th day of February, 2009, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 W. Washington
Phoenix, Arizona 85007

A COPY mailed this same date to:

Aikaterine Vervilos
Arizona Corporation Commission – Securities Division
1300 W. Washington, 3rd Floor
Phoenix, Arizona 85007



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